PERFORMANCE AUDIT REPORT ON THE MANAGEMENT OF GOVERNMENT RESIDENTIAL QUARTERS

MAY 2016
Performance Audit Report on the Management of Government Residential Quarters

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FOREWORD

In submitting this Performance Audit Report for tabling, I refer to The Audit Service Act, 2014, section 11(1) which sets out the role of the Audit Service as being ‘to audit and report on all public accounts of Sierra Leone and all public offices including the Judiciary of Sierra Leone, the central and local government institutions, the university of Sierra Leone and other public sector institutions of like nature, all statutory corporations, companies and other bodies and organisations established by an Act of Parliament or statutory instrument or otherwise set up wholly or in part out of public funds’.

Section 11 (2) (c) of The Audit Service Act, 2014 confers on the Audit Service the right to carry out value for money and other audits to ensure that efficiency and effectiveness are achieved in the use of public funds. In addition, the Government Budgeting and Accountability Act, 2005, Section 63 (1) sub-section (1e) provides that the Auditor General shall ascertain whether financial business has been carried out with due regard to economy in relation to results achieved. Sub-section 66 (4) of the Act states that ‘nothing in this section shall prevent the Auditor General from submitting a special report for tabling in Parliament on matters that should not await disclosure in the annual report’.

In line with my mandate as described above, we have undertaken this Performance Audit on the Management of Government Residential Quarters with the objective of assessing whether the quarters have been managed efficiently and effectively.

Lara Taylor-Pearce (Mrs.), FCCA, FCA (SL)
Auditor General of Sierra Leone
EXECUTIVE SUMMARY

Background
One of the objectives of the Ministry of Works, Housing and Infrastructure is to facilitate access to good quality government buildings for use as offices and living quarters. To be able to provide living quarters, the Government has a stock of properties in different locations across the country. Some of these quarters are specifically assigned ('pegged') to certain public officers (for example, the offices of the District Education Officer and the Senior District Officer), while others are available on application by eligible government officials.

The main activities necessary for the efficient management and allocation of government residential quarters are:

- Developing a policy/strategy for the overall provision of quarters, including occupancy eligibility;
- Allocating quarters in accordance with eligibility criteria;
- Completing a legally binding tenancy agreement with each tenant, setting out key details pertaining to the tenancy;
- Collecting and accounting for rent due on a timely basis;
- Carrying out periodic maintenance according to fixed schedule;
- Carrying out emergency repairs on request; and
- Obtaining possession of a quarter on the expiry of the tenancy agreement.

The Ministry has overall responsibility for the provision and management of government residential quarters and for establishing policies and procedures. Day-to-day responsibility for the quarters rests with the Ministry for Western Area and with Provincial Secretaries for quarters in the provinces.

Justification for the Audit
Many Government quarters are in a poor state of repair and maintenance appears to have been limited. Some quarters are totally dilapidated and uninhabitable. The Ministry did not appear to have reliable information on the number of quarters throughout the country and the annual cost of maintaining them, making it difficult to link expenditure on maintenance to the actual state of the buildings. In addition, there did not appear to be any rationale for setting the level of rental payments in the provinces.

Audit Objective and Questions

Audit Objective
The objective of the audit was to assess whether the Ministry of Works, Housing and Infrastructure and Provincial Secretaries have managed the stock of residential quarters efficiently and effectively.
Audit Questions

We addressed three specific questions to achieve the audit objective:

- Has the Ministry established a policy or strategy for the management and allocation of government residential quarters?
- Have government quarters been maintained in a habitable condition?
- Have rental charges for occupying quarters been collected on a timely basis?

Main Findings and Conclusions

Our main findings and conclusions on each of the audit questions are set out below:

Management and Allocation of Quarters

The Ministry has not developed any policy or strategy for the provision and management of government residential quarters. They do not know how many quarters exist throughout the country and have not carried out an assessment of the number of quarters needed. As such, they are not in a position to make informed decisions.

The Ministry has not established clear and specific eligibility criteria for the allocation of quarters to occupants. Independent Housing Allocation Committees, accepted by the Ministry as ‘best practice’, have not been established for the provincial locations we visited, with the exception of Magburaka. There is a risk that quarters will not be allocated objectively or on a consistent basis.

Quarters are rented to occupants on the basis of an ‘allocation letter’. The Ministry has not issued any guidelines on the content of a ‘standard’ allocation letter and most letters issued do not contain basic details, such as the obligations of the occupant and the Ministry/Provincial Secretary. The Ministry, or Provincial Secretary, might be unable to take enforcement action where necessary to protect their interests.

Condition of Quarters

Neither the Ministry nor Provincial Secretaries have developed detailed plans for regular inspection of quarters to ensure that they are being kept in a good condition, and that they are being used only for residential purposes. Where inspections have been carried out, reports have not been prepared to document the condition of the quarter and any outstanding repairs. As a result, officials do not have a reliable and up to date assessment of the condition of quarters and the uses to which they are being put.

The Ministry has not developed standard arrangements for carrying out maintenance and repair. Most government quarters are in poor condition and some quarters are totally uninhabitable due to years of neglect. A shortage of habitable quarters has resulted in the Ministry having to rent private houses for use as government quarters at additional cost.

Payment of Rent for Quarters

The Ministry has not established a standard fixed scale of rental charges for the occupancy of Government quarters. Different rental charges are being levied in each province and no rent is being collected from occupants in Makeni and Magburaka. In addition, the rental charges for these
quarters do not currently reflect market value. As a result of this, the Government has suffered a significant loss of income.

The Ministry and Provincial Secretaries have not maintained comprehensive up to date records reflecting the payment status of each occupant. The level of rent arrears is significant. Without reliable data on payments and arrears, it is difficult for the relevant authorities to take enforcement action.

**Overall Conclusion**

The Ministry of Works, Housing and Infrastructure has not put in place the necessary mechanisms to ensure the efficient and effective management of its stock of government residential quarters.

**Recommendations**

To strengthen the management of government residential quarters throughout the country, the Ministry of Works, Housing and Infrastructure should, within the next twelve months, implement the recommendations set out below:

- Develop a policy and strategy for the overall provision of government quarters that includes eligibility criteria for entitlement to quarters and an assessment of the number of quarters needed across the country.
- Compile a comprehensive database of existing quarters, clearly stating the age and condition of each quarter, its address, name of occupant, date of commencement of occupation, and monthly rental. This database should be updated every year.
- Establish a standard form of tenancy agreement that includes basic minimum details relating to the tenancy, including the respective obligations of the occupant and the landlord.
- Decide whether to rehabilitate or dispose of properties that are currently unoccupied due to disrepair.
- Establish a fixed scale of charges for the rental of government quarters that reflects location, specification, and current market value.

To strengthen the day-to-day management of government residential quarters, the Ministry of Works, Housing and Infrastructure (for Western Area) and Provincial Secretaries (for quarters located in the provinces) should implement the recommendations set out below. The Ministry should liaise with Provincial Secretaries as necessary.
Ensure that a legally binding tenancy agreement is entered into prior to occupation of each quarter.

Develop and implement a detailed plan for inspecting quarters to ensure that they are being kept in good condition and being used solely for residential purposes. After each inspection, a report should be prepared highlighting any defects.

Ensure that rental payments are collected when due, preferably by deduction at source from payroll by the Accountant General’s Department, and take timely enforcement action to collect arrears. All information required for deduction of rent at source should be included in the tenancy agreement, which should be copied to the Accountant General’s Department.

In addition, the Provincial Secretaries responsible for government quarters located in Bo, Kenema and Makeni should:

Ensure that an independent Housing Allocation Committee is established in each province, or district, to ensure that the process of allocating quarters to occupants is fair and objective.
CHAPTER 1: INTRODUCTION

1.1 Background
One of the objectives of the Ministry of Works, Housing and Infrastructure is to facilitate access to good quality government buildings for use as offices and living quarters. To be able to provide living quarters, the Government has a stock of properties in different locations across the country. Some of these quarters are specifically assigned (‘pegged’) to certain public officers (for example, the offices of the District Education Officer and the Senior District Officer), while others are available on application by eligible government officials.


1.2 Roles and Responsibilities of Key Players
The main activities necessary for the efficient management of government residential quarters are:

- Developing a policy/strategy for the overall provision of quarters, including occupancy eligibility;
- Allocating quarters in accordance with eligibility criteria;
- Completing a legally binding tenancy agreement with each tenant, setting out key details pertaining to the tenancy;
- Collecting and accounting for rent due on a timely basis;
- Carrying out periodic maintenance according to a fixed schedule;
- Carrying out emergency repairs on request; and
- Obtaining possession of quarters on the expiry of the tenancy agreement.

These responsibilities are split between the Ministry of Works, Housing and Infrastructure and Provincial Secretaries.

The Ministry of Works, Housing and Infrastructure has overall responsibility for the provision and management of government residential quarters and for establishing policies and procedures to ensure that the allocation, occupation, and maintenance of quarters is carried out on a consistent basis across the country.

Day-to-day responsibility for managing quarters rests with the Ministry for quarters located in Western Area and with Provincial Secretaries for quarters located in the provinces.

1.3 Justification for the Audit
Many government quarters are in a poor state of repair and maintenance appears to have been limited. Some quarters are totally dilapidated and uninhabitable. The Ministry did not appear to have reliable information on the number of quarters throughout the country and the annual cost of maintaining them, making it difficult to link expenditure on repairs and maintenance to the actual state of the buildings. In addition, there did not appear to be any rationale for setting the level of rental payments in the provinces.
1.4 Audit Objective and Questions

Audit Objective
The objective of the audit was to assess whether the Ministry of Works, Housing and Infrastructure and Provincial Secretaries have managed the stock of residential quarters efficiently and effectively.

Audit Questions
We addressed three specific questions to achieve the audit objective:
- Has the Ministry established a policy or strategy for the management and allocation of government residential quarters?
- Have government quarters been maintained in a habitable condition?
- Have rental charges for occupying quarters been collected on a timely basis?

1.5 Methodology and Scope
We applied a range of audit techniques to collect and analyse information, including the conducting of interviews, document review, and physical observation. The key documents reviewed are set out at Appendix I and personnel interviewed are listed at Appendix II. We visited five regional offices: Freetown in Western Area, Kenema in Eastern Province, Bo in Southern Province, and Makeni and Magburaka in Northern Province. The audit was conducted in line with the International Standards of Supreme Auditing Institutions and related performance audit guidelines.

The Ministry of Works, Housing and Infrastructure was provided with an opportunity to comment on this report. We reviewed their response and have reflected their concerns as appropriate. A copy of their response is at Appendix III.

1.6 Structure of Chapters 2-5

Chapter 2 covers the Ministry’s policy and strategy for the provision and management of government residential quarters and the arrangements for managing the allocation of quarters to occupants.

Chapter 3 covers the arrangements for monitoring the use of government quarters and for ensuring that they are kept in good condition.

Chapter 4 covers the arrangements for setting and collecting rental payments from occupants of government quarters.

Chapter 5 sets out our conclusions and recommendations.
CHAPTER 2: MANAGEMENT AND ALLOCATION OF GOVERNMENT RESIDENTIAL QUARTERS

This chapter covers the Ministry of Works, Housing and Infrastructure’s policy and strategy for the provision and management of government residential quarters and the arrangements for allocating quarters to occupants.

2.1 Purpose of Government Residential Quarters

The Government has a stock of residential quarters for allocation to government officials for use as living accommodation. Most of the quarters were built in the 1960s and 1970s. We found that the Ministry has not established a policy or strategy for the overall provision and management of the quarters. Coupled with this, the Ministry has not carried out any assessment of the number of quarters needed.

In its 2013-2015 medium term expenditure framework submission, the Ministry proposed that 'government should embark on constructing staff quarters annually to provide more accommodation facilities for government officers and relieve the pressure on demands for such quarters’. The Ministry did not provide any evidence to support this proposal.

2.2 Database of Government Residential Quarters

To manage its stock of residential quarters, the Ministry should have a register/database of all government quarters in the country, showing their location, age and condition (as set out in the Anti-Corruption Commission's 'Best Practice Guide').

We found that the Ministry does not have up to date or reliable data on the total number and condition of quarters nationwide. In early 2015, in response to a request by the Clerk of Parliament, each Provincial Secretary provided a ‘status report’ on government quarters in their respective jurisdictions. The information provided by each Provincial Secretary varied and only two reports, for Kenema and Makeni, gave an indication of the condition of the quarters. The list produced for Kenema was limited to quarters that were allocated/occupied and excluded quarters that were dilapidated and unoccupied. For Western Area, the Ministry produced a list of quarters, but it did not include key information such as the age and condition of the buildings.

From our analysis of the information provided by the Ministry and Provincial Secretaries, we calculated that for the five locations visited, there were 787 quarters that were occupied (Table 1 below). We were not able to identify the additional quarters that were unoccupied, nor the number of quarters located elsewhere in the country.

<table>
<thead>
<tr>
<th>Location</th>
<th>Total</th>
<th>Percentage of total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Area</td>
<td>318</td>
<td>41</td>
</tr>
<tr>
<td>Bo Town</td>
<td>262</td>
<td>33</td>
</tr>
<tr>
<td>Kenema Town</td>
<td>128</td>
<td>16</td>
</tr>
<tr>
<td>Makeni</td>
<td>54</td>
<td>7</td>
</tr>
<tr>
<td>Magburaka</td>
<td>25</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>787</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Without a database of existing government quarters, both occupied and vacant, the Ministry cannot plan effectively. There is also a risk of unauthorised occupation of quarters.

2.3 Allocation of Quarters

The Ministry of Works, Housing and Infrastructure is responsible for allocating quarters in the Western Area and each Provincial Secretary is responsible for allocations in provincial and district towns (according to Rule 4.35 of the Civil Service Code, Rules and Regulation).

The Ministry wrote to Provincial Secretaries, Senior District Officers, and District Officers in March 2012 requesting the establishment of a Housing Allocation Committee. Out of the locations we visited, only Western Area and Magburaka had functioning committees (Table 2 below). In Bo, Kenema, and Makeni the task of allocating quarters was undertaken by the Provincial Secretary (or District Secretary). As such, there is a risk that the allocation process might not be carried out objectively and that quarters might be allocated to ineligible people.

An application for allocation of residential quarters should include all the information necessary for an informed decision to be made about the applicant’s eligibility and their relative priority. We reviewed a selection of application forms submitted to the Housing Allocation Committee in Western Area and found that they contained the following details: applicant’s name, preferred quarter, designation in the civil service, grade and years of service, current employer, current duty station, and signature of applicant’s head of department. In other locations, applicants just submitted a written application addressed to the Provincial Secretary without the same level of detail. As a result, there is a risk that provincial applications do not contain sufficient information for an informed decision to be made on eligibility and priority.

Allocation of a government quarter is confirmed by issuing an allocation letter to the successful applicant. We found that there were no tenancy agreements. The form and content of allocation letters (or tenancy agreements) should be consistent across the country and should contain all the information necessary to ensure that the tenant makes timely payment of rent and keeps the property in good condition. Good practice would require the following information to be included:

<table>
<thead>
<tr>
<th>Table 2: Composition of Housing Allocation Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Area</td>
</tr>
<tr>
<td>Bo</td>
</tr>
<tr>
<td>Kenema</td>
</tr>
<tr>
<td>Makeni</td>
</tr>
<tr>
<td>Magburaka</td>
</tr>
</tbody>
</table>
We found that the Ministry had not developed a standard template for an allocation letter and had not specified what information should be included. From our review of allocation letters, we found that there were variations in the content of allocation letters between locations. For example, in Makeni and Magburaka, allocation letters did not make any reference to the payment of rent and in Bo, Kenema and Makeni, they did not include any obligation on the part of the tenant to keep the quarters in good condition.

2.4 Surrender of Quarters
Quarters should be vacated within six months of the occupant’s retirement, overseas posting, or demise (paragraphs 4.32 to 4.34 of the Civil Service Code, Regulations and Rules). We found that this regulation was not being complied with. Despite the issuance of eviction notices, some occupants did not surrender possession within the six month period. The occupation of government quarters by ineligible tenants reduces the number of quarters available to those officers genuinely entitled.
CHAPTER 3: CONDITION OF GOVERNMENT RESIDENTIAL QUARTERS

This chapter covers the arrangements for monitoring the use of government quarters and for ensuring that they are kept in a good condition.

3.1 Monitoring the Use of Quarters

The Ministry and Provincial Secretaries are responsible for inspecting and reporting on the use and condition of government quarters. We found that neither the Ministry nor Provincial Secretaries had developed a structured plan for carrying out inspections – there was no prescribed frequency and no standard checklist. However, at the time of the audit the Provincial Secretary in Bo was developing an inspection checklist.

The outcomes of inspections were not formally recorded in any of the locations we visited. Occupants were not provided with any written feedback on the outcome of these inspections.

We found that inspections had not been carried out sufficiently and frequently. Of the 66 occupants we interviewed at the locations visited, only 45% responded that inspections had been carried out (as shown in Table 3).

<table>
<thead>
<tr>
<th>Table 3: Analysis of responses on frequency of inspections by the Ministry or Provincial secretary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
</tr>
<tr>
<td>Western Area</td>
</tr>
<tr>
<td>Bo</td>
</tr>
<tr>
<td>Kenema</td>
</tr>
<tr>
<td>Makeni</td>
</tr>
<tr>
<td>Magburaka</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

An occupant should be notified by the Ministry/Provincial Secretary in advance of an inspection exercise and should make the quarter available for the inspection team. However, in most cases occupants were not notified. As a result, inspection teams had difficulty gaining access to the properties.

The absence of a structured plan for carrying out inspections, combined with the limited number of inspections carried out, raises the risk of maintenance and repair issues not being detected and reported. Failure to inspect quarters might also result in unauthorised modifications not being detected and quarters being used for other purposes.

3.2 Maintenance of Government Residential Quarters

To ensure that all quarters are available for occupation, they need to be maintained in a habitable condition. This involves:

- carrying out regular ‘preventive’ maintenance;
- attending to emergency repairs; and
- rehabilitating and refurbishing quarters that have fallen into disrepair.
We found that the Ministry had not developed any standard arrangements for maintaining quarters. As a result, different practices had developed across the country (Table 4).

<table>
<thead>
<tr>
<th>Location</th>
<th>Maintenance Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Area</td>
<td>Tenants carry out own maintenance and obtain refunds from the Ministry.</td>
</tr>
<tr>
<td>Bo, Kenema, Makeni, Magburaka</td>
<td>No regular maintenance due to lack of equipment and tools. Tenants sometimes carry out repairs at their own expense.</td>
</tr>
</tbody>
</table>

Occupants of government quarters are expected to keep the quarter allocated to them in ‘good tenable condition’. However, the Ministry or Provincial Secretary, as landlord, should be responsible for maintaining the interior and exterior fabric of the building. We noted that some occupants, especially those in the provinces, were not aware of these respective responsibilities. Allocation letters issued by the Ministry for quarters located in Western Area required tenants to keep quarters in a tenable condition, but did not specify the maintenance obligations of the Ministry. From our interviews of tenants in the provinces, we noted that occupants were undertaking maintenance and minor repairs of both the interior and exterior of the property at their own expense.

In Western Area, occupants normally requested the Ministry to carry out repair work. After assessment of the cost by a Ministry quantity surveyor, the Ministry approved a maximum amount to be spent by the occupant which would be reimbursed by the Ministry. Our analysis revealed that the Ministry had reimbursed a total of Le688,291,100 over the period 2012 to 2014 (Table 5).

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount reimbursed (Le)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>39,350,000</td>
</tr>
<tr>
<td>2013</td>
<td>210,000,000</td>
</tr>
<tr>
<td>2014</td>
<td>438,941,100</td>
</tr>
<tr>
<td>Total</td>
<td>688,291,100</td>
</tr>
</tbody>
</table>

Annual expenditure on maintenance increased more than tenfold over this three year period. The arrangements carry the risk that the Ministry’s assessment of cost might be inflated.

The general lack of maintenance has resulted in government quarters falling into a state of disrepair. We inspected 66 quarters across the five locations we visited and found that most of these properties were in a poor state of repair. For example, we observed damaged roofs and doors, cracked walls and floor tiles, broken toilets, and non-functioning electrical installations and water supply. The photographs below show the state of disrepair of some of the quarters we inspected.
With lack of maintenance, there is a risk that more quarters will become uninhabitable, resulting in a further reduction in the number of quarters available for rent. There is also a risk of injury to occupants, which could leave the Ministry and Provincial Secretaries open to financial liability.

3.3 Derelict Government Quarters
Several of the quarters we visited were in a dilapidated condition and had been in that state for a considerable period of time. For example, we observed 12 dilapidated quarters at the Government Reservations in Makeni and Magburaka, and another one in Kenema. The Ministry has not made any decision as to whether to rehabilitate these quarters or dispose of them. Photographs of dilapidated quarters are shown below.
We noted that the quarter assigned to the Education Officer in Magburaka had been in a derelict state and had been renovated by the Ministry of Education (photograph below).
3.4 Rental of Private Houses for Use as Government Quarters

The poor condition of many quarters has resulted in the Ministry having to rent private houses across the country for use as residential accommodation. As at the end of 2014, the Ministry was renting 27 private houses at an estimated cost in 2014 of Le293,900,890 (based on an apportionment of the cost of renting all private houses). The Ministry’s records in 2014 showed 30 properties that were not categorised as being for official or residential use.

The Ministry owed landlords significant sums in respect of rents for private rented houses. The Ministry’s records showed arrears of rent of Le145 million for financial year 2014. However, our analysis of a sample of 27 rental transactions found that the Ministry’s records were out of date and contained numerous and significant errors. For example, one property in Makeni ceased to be rented in 2010 and the landlord advised us that there was no amount owing by the Government’s tenant. However, the Ministry’s 2014 listing of rental amount showed that the Ministry owed Le14,000,000 rent arrears to the landlord.

We verified an amount of Le71 million as being owed by the Ministry. We were, however, unable to verify a further Le41 million due to difficulty contacting the landlords of the properties in question. As such, the Ministry’s record of rent owing to private landlords was overstated by at least Le33 million (Table 6).

### Table 6: Analysis of rent owed by the Ministry to private landlords

<table>
<thead>
<tr>
<th>Location</th>
<th>Ministry record of rent owing (Le)</th>
<th>Amount owing verified by auditors (Le)</th>
<th>Amount not verified (Le)</th>
<th>Amount overstated (Le)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Makeni</td>
<td>58,000,000</td>
<td>15,000,000</td>
<td>21,000,000</td>
<td>22,000,000</td>
</tr>
<tr>
<td>Kenema</td>
<td>51,000,000</td>
<td>21,000,000</td>
<td>20,000,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Magburaka</td>
<td>36,000,000</td>
<td>35,000,000</td>
<td>Nil</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>145,000,000</td>
<td>71,000,000</td>
<td>41,000,000</td>
<td>33,000,000</td>
</tr>
</tbody>
</table>
In verifying the existence of private rented houses, there were two properties that we could not locate. From the rental payment details we noted that a total of Le35 million had been paid by the Ministry over the period 2006 to 2014 to rent these two properties.
CHAPTER 4: PAYMENT OF RENT FOR GOVERNMENT QUARTERS

This chapter covers the arrangements for setting and collecting rental payments from occupants of government quarters.

4.1 Setting Levels of Rental Payments

Annual rental charges should be determined by the Ministry or Provincial Secretary as the ‘designated authority of government’ (Civil Service Code, Regulations and Rules, paragraph 4.27). Our review of allocation letters at each location revealed that there is no standardised scale of rental charges. The level of rent payable varies for each location (Table 7). In addition, no rent was being collected from occupants of quarters in Makeni and Magburaka.

<table>
<thead>
<tr>
<th>Location</th>
<th>Rate for Junior Staff Quarter</th>
<th>Rate for Senior Staff Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Area</td>
<td>1/16th of salary</td>
<td>Le2,000</td>
</tr>
<tr>
<td>Bo</td>
<td>Le1,000</td>
<td></td>
</tr>
<tr>
<td>Kenema</td>
<td>4% of salary</td>
<td>8% of salary</td>
</tr>
<tr>
<td>Makeni</td>
<td>No rate specified</td>
<td>No rate specified</td>
</tr>
<tr>
<td>Magburaka</td>
<td>No rate specified</td>
<td>No rate specified</td>
</tr>
</tbody>
</table>

4.2 Method of Payment

The arrangements for collecting rents from occupants differ across regions (Table 8).

<table>
<thead>
<tr>
<th>Location</th>
<th>Arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Area</td>
<td>Deduction at source by Accountant General’s Department</td>
</tr>
<tr>
<td>Bo</td>
<td>Payment by occupant into local bank account</td>
</tr>
<tr>
<td>Kenema</td>
<td>Deduction at source by Accountant General’s Department</td>
</tr>
<tr>
<td>Makeni</td>
<td>No rent being collected</td>
</tr>
<tr>
<td>Magburaka</td>
<td>No rent being collected</td>
</tr>
</tbody>
</table>

4.3 Completeness of Payment

We attempted to assess the completeness of rental payments at each location but the payment records were incomplete. For example, for Western Area the records did not state the date of occupancy or vacation of each quarter. For Kenema, the list of quarters did not include the occupant’s ‘pin code’, thereby preventing us from verifying deductions by the Accountant General’s Department. Our analysis of payment documents submitted by the Estate Officer in Bo revealed that only 69 out of 262 occupants had paid rent, totalling Le2,272,000 over a period of five years. This suggests that a significant amount went unpaid over the same period.
CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

**Overall Conclusion**
The Ministry of Works, Housing and Infrastructure has not put in place the necessary mechanisms to ensure the efficient and effective management of the stock of government residential quarters.

**Management and Allocation of Quarters**
The Ministry has not developed any policy or strategy for the provision and management of government residential quarters. They do not know how many quarters exist throughout the country and have not carried out an assessment of the number of quarters needed. As such, they are not in a position to make informed decisions.

The Ministry has not established clear and specific eligibility criteria for the allocation of quarters to occupants. Independent Housing Allocation Committees, accepted by the Ministry as ‘best practice’, have not been established for the provincial locations we visited, with the exception of Magburaka. There is a risk that quarters will not be allocated objectively or on a consistent basis.

Quarters are rented to occupants on the basis of an ‘allocation letter’. The Ministry has not issued any guidelines on the content of a ‘standard’ allocation letter and most letters issued do not contain basic details, such as the obligations of the occupant and the Ministry/Provincial Secretary. The Ministry, or Provincial Secretary, might be unable to take enforcement action where necessary to protect their interests.

**Condition of Quarters**
Neither the Ministry nor Provincial Secretaries have developed detailed plans for regular inspection of quarters to ensure that they are being kept in a good condition, and that they are being used only for residential purposes. Where inspections have been carried out, reports have not been prepared to document the condition of the quarter and any outstanding repairs. As a result, officials do not have a reliable and up to date assessment of the condition of quarters and the uses to which they are being put.

The Ministry has not developed consistent arrangements for carrying out maintenance and repair. Most government quarters are in poor condition and some quarters are totally uninhabitable due to years of neglect. A shortage of habitable quarters has resulted in the Ministry having to rent private houses for use as government quarters at additional cost.

**Payment of Rent for Quarters**
The Ministry has not established a standard fixed scale of rental charges for the occupancy of Government quarters. Different rental charges are being levied in each province and no rent is being collected from occupants in Makeni and Magburaka. In addition, the rental charges for quarters located in Bo do not reflect current market value. As a result of this, the Government has suffered a significant loss of income.
The Ministry and Provincial Secretaries have not maintained comprehensive up to date records reflecting the payment status of each occupant. The level of rent arrears is significant. Without reliable data on payments and arrears, it is difficult for the relevant authorities to take enforcement action.

5.2 Recommendations

To strengthen the management of government residential quarters throughout the country, the Ministry of Works, Housing and Infrastructure should, within the next twelve months, implement the recommendations set out below:

- Develop a policy and strategy for the overall provision of government quarters that includes eligibility criteria for entitlement to quarters and an assessment of the number of quarters needed across the country.
- Compile a comprehensive database of existing quarters, clearly stating the age and condition of each quarter, its address, name of occupant, date of commencement of occupation, and monthly rental. This database should be updated every year.
- Establish a standard form of tenancy agreement that includes basic minimum detail relating to the tenancy, including the respective obligations of the occupant and the landlord.
- Decide whether to rehabilitate or dispose of properties that are currently unoccupied due to disrepair.
- Establish a fixed scale of charges for the rental of government quarters that reflects location, specification, and current market value.

To strengthen the day-to-day management of government residential quarters, the Ministry of Works, Housing and Infrastructure (for Western Area) and Provincial Secretaries (for quarters located in the provinces) should implement the recommendations set out below. The Ministry should liaise with Provincial Secretaries as necessary.

- Ensure that a legally binding tenancy agreement is entered into prior to occupation of each quarter.
- Develop and implement a detailed plan for inspecting quarters to ensure that they are being kept in good condition and being used solely for residential purposes. After each inspection, a report should be prepared highlighting any defects.
- Ensure that rental payments are collected when due, preferably by deduction at source from payroll by the Accountant General’s Department, and take timely enforcement action to collect arrears. All information required for deduction of rent at source should be included in the tenancy agreement, which should be copied to the Accountant General’s Department.

In addition, the Provincial Secretaries responsible for government quarters located in Bo, Kenema and Makeni should:

- Ensure that an independent Housing Allocation Committee is established in each province, or district, to ensure that the process of allocating quarters to occupants is fair and objective.
APPENDIX I: PERSONNEL INTERVIEWED
We conducted interviews to gain first-hand knowledge of the issues affecting the management and maintenance of government residential quarters.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Person Interviewed</th>
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</thead>
<tbody>
<tr>
<td>Ministry of Works, Housing and Infra-structure</td>
<td>Permanent Secretary</td>
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<tr>
<td></td>
<td>Deputy Secretary</td>
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<tr>
<td></td>
<td>Principal Accountant</td>
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<tr>
<td></td>
<td>Senior Accountant</td>
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<tr>
<td></td>
<td>Procurement Officer</td>
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<td>Internal Auditor</td>
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<td></td>
<td>Professional Head</td>
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<td></td>
<td>Chief Architect</td>
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<td></td>
<td>Chief Civil Engineer</td>
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<td></td>
<td>Officer-in-charge, Public Works Department Workshop</td>
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<td></td>
<td>Office-in-charge, Bo</td>
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<td></td>
<td>Senior Housing Officer, Bo</td>
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<td></td>
<td>Building Supervisor, Bo</td>
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<td></td>
<td>Building Inspector, Bo</td>
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<tr>
<td>Provincial Secretary’s Offices</td>
<td>Provincial Secretaries: Eastern, Northern and Southern Provinces</td>
</tr>
<tr>
<td></td>
<td>Estate Officers: Eastern, Northern and Southern Provinces</td>
</tr>
<tr>
<td>Other Stakeholders</td>
<td>Occupants of government quarters in locations visited</td>
</tr>
</tbody>
</table>
APPENDIX II: DOCUMENTS REVIEWED

During the course of the audit we reviewed and analysed documents from a range of sources to obtain information and data relating to the management of government quarters. The main documents are set out below.

<table>
<thead>
<tr>
<th>Document Reviewed</th>
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</thead>
<tbody>
<tr>
<td>Freetown Improvement Act 1960</td>
</tr>
<tr>
<td>Best practice guide on the use of government vehicles, government quarters,</td>
</tr>
<tr>
<td>telephones, computers and other office equipment (Anti-Corruption Commission,</td>
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<tr>
<td>July 2010)</td>
</tr>
<tr>
<td>Sierra Leone Government Civil Service Code, Regulations and Rules</td>
</tr>
<tr>
<td>Ministry of Works, Housing and Infrastructure Budget Proposal for Medium Term</td>
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<td>Expenditure Framework 2011-2013</td>
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<tr>
<td>Ministry of Works, Housing and Infrastructure Budget Proposal for Medium Term</td>
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<td>Expenditure Framework 2013-2015</td>
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<tr>
<td>Contract Agreements</td>
</tr>
<tr>
<td>Reports on revenue collected for financial years 2011-2015</td>
</tr>
<tr>
<td>List of Government quarters and names of occupants in the provinces visited</td>
</tr>
<tr>
<td>Analysis of government rented buildings and rental fees</td>
</tr>
</tbody>
</table>
APPENDIX III: RESPONSE FROM THE MINISTRY OF WORKS, HOUSING AND INFRASTRUCTURE

From: The Permanent Secretary, Ministry of Works Housing and Infrastructure

To: The Auditor General

Date: 14th January, 2016.

RE: PERFORMANCE AUDIT MAIN STUDY MINISTRY OF WORKS, HOUSING AND INFRASTRUCTURE.

I am directed to refer to yours Memorandum AG/381, of 8th December 2015, on the Performance Audit conducted for the year 2015, I hereby forward Management position on the observations raised therein:

1. Most of the issues raised in the report are related to the Provincial Secretary’s Offices who have their own administrative regulation independent of the Ministry of Works Housing and Infrastructure.

2. Paragraph four of your forwarding letter states that we should engage all stakeholders mentioned in the report which need a lot of time and consultations with those stakeholders as Provincial Administration is not under the direct supervision of this Ministry.

3. Most of the Recommendations proffered in this Report are futuristic and for My Ministry, some of them are in place. For example, there is a policy on the allocation of government Quarters and there is a committee for the implementation of that policy where the Acting Honorable Minister is the Chairman. This Ministry have succeeded in evicting most of the illegal occupants. Also there is a comprehensive data base of existing quarters clearly indicating addresses, names of occupants, date of commencement of occupancy, and it is updated by the Secretary of the committee every year. I am attaching a copy for your perusal.
Finally, my administration is thanking you for a job well done and assuring you that your recommendations as stated in the report for the maintenance and upkeep of the quarters will be a routine job for the committee.

I.S. Kamara

For: Permanent Secretary
Performance Audit Report on the Management of Government Residential Quarters
Performance Audit Report on the Management of Government Residential Quarters